

**MINUTES OF REGULAR MEETING
OPEN SESSION
July 14 and 15, 2009
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Tuesday, July 14, 2009 a Regular Meeting of the Illinois Gaming Board ("Board") was held on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Tuesday, June 14, 2009 at approximately 9:30 a.m. the following Board Members were present: Members Charles Gardner, Eugene Winkler, Joseph Moore and Jim Sullivan. At 9:50 a.m. on Tuesday July 14, 2009, Member Gardner called the meeting to order. Chairman Aaron Jaffe entered the meeting at 10:05 a.m. Pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

1. **Pending Litigation and matters involving probable litigation;**
2. **Investigations concerning applicants and licensees;**
3. **Personnel matters;**
4. **Closed session minutes; and**
5. **Evidence and testimony presented in disciplinary hearings.**

Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote. The Board recessed at 11:30 a.m.

On Wednesday, July 15, 2009 the meeting reconvened at 11:30 a.m. Present were the following Board Members: Chairman Aaron Jaffe, Members Charles Gardner, Eugene Winkler, James Sullivan and Joseph Moore.

The Board remained in Closed Session until approximately 12:55 p.m. The Board went into open session at 1:00 p.m. All members were present.

APPROVAL OF MINUTES

Member Moore moved that **the Board approve the closed session minutes of its Regular Meeting of June 23 and 24, 2009.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Moore moved that **the board approve the open session minutes of its Regular Meeting of June 24, 2009.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

CHAIRMAN'S REPORT/COMMENTS –

Chairman Jaffe addressed the subject of video poker. The Chairman stated that he has not read the Legislation as of yet, staff is completing that. The Board will work diligently to implement the legislation. There are hurdles that are faced; one being no appropriation was made for additional personnel. The duty of regulation falls upon the IGB and at this time we do not have the staffing to comply with the legislature's intent. Until that is rectified, our resources must be balanced. We will not deviate in any way from our responsibilities to the regulation of the casinos. We will keep you updated via our website.

BOARD POLICY ITEMS

- Proposed Rules
 - Rule 3000.220 – Withdrawal of Applications

Member Moore moved to **authorize staff to submit proposed revisions to section 3000.220 of the Adopted Rules for First Notice Filing with the Secretary of State upon final review and approval of the Administrator.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Rule 3000.660 – EGD Tournament Programs

Member Moore moved to **authorize staff to submit proposed revisions to section 3000.660 and of the Adopted Rules for First Notice Filing with the Secretary of State upon final review and approval of the Administrator.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATOR'S REPORT –

Administrator Ostrowski echoed the comments the Chairman made. Our direction will be to deal with Video Poker in a very thorough and efficient manner. However, balancing the regulatory and criminal law enforcement responsibilities for all our licensees takes priority, our continued suitability investigation of Midwest Gaming pertaining to the 10th License, and with the Governor signing an Executive Order #5 we are also dealing with administrative issues related to our separation.

Chief Counsel Fries stated that we will do nothing to compromise the level of regulation that we have achieved in Illinois over the commercial casinos as we move forward with the Video Poker responsibilities.

PUBLIC COMMENTARY –

Presentation to the Illinois Gaming Board

Tom Swoik, Executive Director
Illinois Casino Gaming Association
July 15, 2009

Good afternoon I am here today to update you on a few events that the 7 members of the Association have or will be involved in this year. Those events include the 42nd Annual Chicago Business Opportunity Fair, the upcoming AGA's Responsible Gaming Education Week August 3-7 and an industry sponsored Minority Vendor Fair to be held later this fall.

The 42nd Annual Chicago Business Opportunity Fair, organized by the Chicago Minority Business Development Council took place at Navy Pier on April 6-8. For the third year the members of the ICGA sponsored and participated in the events including having a booth at the trade show. In addition to the booth sponsored by the seven members of the Association, Harrah's also sponsored a booth. It was interesting this year because, even though our booth was a little more out of the main paths, we were part of what became known as "casino row" the ICGA booth the Harrah's booth and a casino from northern Indiana, to remain unnamed.

I was hoping to have some pictures of the activities including one with member Moore at our booth, but was unable to obtain them from the Chicago council and apparently our camera malfunctioned. I do have an autographed picture of me and the keynote speaker Magic Johnson, but I have it framed on my office wall.

This year there were fewer booths, but the turnout was still impressive. The individuals stationed at our booth represented the purchasing departments of their casinos. We had tremendous turnout in spite of our location. I believe numerous contacts were made that will help us achieve our efforts to work with diverse vendors.

I assure you next year I will bring pictures.

Secondly, I would like to update you on the AGA's Responsible Gaming Education Week. The American Gaming Association created Responsible Gaming Week in 1998 to increase awareness of problem gambling among gaming employees and customers and to promote responsible gaming nationwide. The week of August 3-7, 2009, will be the twelfth year for this event. This year the theme will be "Know the Code" and refers to the AGA Code of Conduct related to Responsible Gaming. The Code in essence is an industry pledge to employees, patrons and the public to integrate responsible gaming practices into every aspect of daily operations including employee assistance and training, alcohol service policies and advertising and marketing.

This year will again be symbolized by orange wristbands similar to those made popular by Lance Armstrong, stating "KEEP IT FUN".

The information provided this year by the AGA included not only the themed “KEEP IT FUN” wristbands in English and Spanish, but also media advisory information, Responsible Gaming Activities Workbooks, buttons, ribbons, stickers, brochures, posters, and table tents for employee lounges. The objective of the campaign is to involve employees in activities to promote responsible gaming. Employees are trained to explain to patrons the significance of the wristband, button, sticker or ribbon they are wearing during Responsible Gaming Education Week.

Prior to Responsible Gaming Education Week, management at the casinos provide training to staff not only related to the week’s activities, but also as a refresher to the training **every** employee receives related to responsible gaming.

Although Responsible Gaming Education Week is a special industry-wide collaborative effort, we are actively involved in improving responsible gaming efforts every week throughout the year.

Finally, I would like to inform you that the Association will again sponsor a minority vendor fair later this fall or early winter. As you will recall last year we co-sponsored events at both the Grand Victoria and Alton casinos.

One thing I noticed toward the end of both of those events, that was very heartening, was the fact that many of the vendors were interacting with each other and discussing which of their products or services they could use to help each other. Additionally, we had a few non-minority vendors attend who also were making valuable contacts.

This year we will co-sponsor another business diversity fair which will be held at Hollywood Casino in late November or early December.

I will keep you posted on the timing of this event.

I would like to thank you for the opportunity to speak today.

Member Moore stated that he had attended the supplier vendor business fair in April and commended Tom and the Association for a job well done.

Member Gardner asked which casinos are not represented by the Illinois Casino Gaming Association, Tom stated that Casino Queen does not participate in the association but does participate in the responsible gaming efforts and Par-A-Dice is not a member of the association.

OWNER LICENSEE ITEMS

- Item for Information
 - 10th License Status Update

Neil Blum addressed the Board regarding the progress of the 10th license. He stated that Midwest Gaming is looking into avenues of raising more equity for the project and less debt in light of the economy. Mr. Bluhm stated that in May when the subject of Video Poker arose there were a series of meetings regarding the impact of the Video Poker on the casinos. Firms were engaged to study the potential impact of revenue from the affect of Video Poker. The Innovation Group was hired to complete a study. During this period the financials slowed a bit, and now the transaction is back on track. Due diligence should be completed within the next few weeks and will be submitted to the Board with the necessary information. The Chairman asked when the Board and staff will receive the information. Mr. Bluhm replied within the next few weeks. The Chairman stated that the Board wants to move ahead and asked if the Board will have the information by August 24, 2009. Mr. Bluhm stated that they will do everything they can to supply the information by the 24th of August. Member Gardner asked what are the percentages regarding ownership. Mr. Bluhm stated 40% Bluhm 40% investor and 20% minority investors.

Member Winkler stated that Midwest Gaming is beyond the deadline of June 21st, 2009 for all documentation to be turned in. Member Winkler stated that if we don't have everything by the August meeting we might have to do something drastic. Member Winkler stated that June 21st was the deadline to have all the information to staff. Mr. Bluhm stated that the report on the economics was given to the Gaming Board and now the investor is preparing the applications for the August meeting.

Member Gardner asked if the binding commitments from the investor would be completed within the next couple of weeks. Mr. Bluhm stated that the commitments are subject to legal documentation and the ultimate financing was approved by the investor's Board which was approved by the investor's staff based upon the new information. This will be submitted to the IGB while the legal documentation is being processed.

- Item for Initial Consideration
 - Penn National Gaming, Inc. – Credit Revolver Extension

Paul Jensen addressed the Board asking for initial consideration for the Credit Revolver Extension while introducing Tom Auriama who explained the process and purpose to the Board and staff.

- Items for Final Action
 - Casino Queen – License Renewal

Jeff Watson addressed the Board and introduced Mayor Alvin Parks.

Mayor Alvin Parks of the City of East St. Louis addressed the Board and staff. Mayor Parks explained that without the Casino Queen the City would not be able to operate. The casino has supplied much revenue to the operations of the City.

Gordon Bush addressed the Board. Mr. Bush stated that before the Casino Queen, the City of East St. Louis was on the verge of bankruptcy. With the revenue from the casino, East St. Louis has a properly equipped police and fire department, stores and a very strong shopping district.

Mike Lundy who is the Executive Director of the Southwestern Illinois Development Authority also addressed the Board. Mr. Lundy stated that SWIDA is a state created authority to do economic development in four counties in southwestern Illinois. Mr. Lundy went on to explain the projects that were completed with the help from the revenue supplied by the Casino Queen.

Member Winkler stated that the MBE and WBE figures in the report of the Casino Queen renewal are questionable. Before the Board can approve the license accurate figures are needed. Member Winkler went on to further state that women and minority business enterprises need to be given the opportunities to advance, and the initial report was quite shocking. Mr. Watson stated the numbers that were originally supplied are inaccurate. Mr. Watson also stated that he has the accurate numbers. The Casino has a huge commitment to the City. The contract for the Sports Bar is held by a minority owned contractor who was in partnership for the construction of the new facility. Member Winkler stated the day to day operations of the casino are the Board's concern. The Board is interested in the day to day operations of the casino with reference to the MBE and WBE. Mr. Watson apologized to the Board for the discrepancies.

Member Gardner stated that the license will not be approved today.

Member Winkler went on to state that the MBE and WBE are very important to this Board.

- Penn National – John Finamore, Senior V.P of Regional Operations – Key Person – Motion Clarification

Based on a review of staff's investigation and recommendation, Member Sullivan moved that **the Board approve John Finamore as a Key Person of Alton Gaming Company in Alton, Illinois, Hollywood Casino Aurora in Aurora, Illinois and Empress Casino Joliet Corporation in Joliet, Illinois in his position as Senior Vice President of Regional Operations for Penn National Gaming.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Harrah's Casino Joliet – Kimberly A. Coker, V.P. Finance & Administration – Level One

Based on staff's investigation and recommendation, Member Gardner moved that **the Board approve Kimberly A. Coker as an Occupational Licensee Level 1 in the position of Vice President of Finance & Administration at Harrah's Casino Joliet in Joliet, Illinois.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Hollywood Casino – Paul D. Tibbetts, V.P. Casino Operations – Level One

Based on staff's investigation and recommendation, Member Winkler moved that **the Board approve Paul D. Tibbetts as an Occupational Licensee Level 1 in the position of Vice President of Casino Operations at Hollywood Casino Aurora in Aurora, Illinois.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Harrah's Metropolis – Jonathan S. Halkyard, Director of SIRCC – Key Person

Based on a review of staff's investigation and recommendation, Member Moore moved that **the Board approve Jonathan S. Halkyard as a Key Person for Southern Illinois Riverboat/Casino Cruises, Inc., d/b/a Harrah's Metropolis Casino in his position as Director.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

SUPPLIER LICENSEE ITEMS

- Shuffle Master, Inc. – License Renewal

Based on Staff's investigation and recommendation, Member Sullivan moved that **the Board renew the Supplier's License held by Shuffle Master, Inc. for a period of four years, expiring in July, 2013.**

Staff further recommends that Shuffle Master, Inc., be authorized and approved to supply the following products and services to licensed riverboat casinos in the State of Illinois, pursuant to the requirements of the IGB as listed in the Adopted Rules:

- 1. Deck shufflers and the necessary software for those shufflers;**
- 2. Table Game Layouts, which include the following:**
 - 1. Let it Ride;**
 - 2. Let it Ride Bonus;**
 - 3. Four Card Poker;**
 - 4. Four Card Poker Progressive;**
 - 5. Royal Match 21;**
 - 6. Texas Hold'em Bonus;**

7. **Ultimate Texas Hold'em**
8. **Three Card Poker Progressive;**
9. **Pai Gow Poker, and**
10. **DEQ Promotional Progressive System G3.**

Furthermore Member Sullivan moved to **designate the following individuals, entities and corporations as Key Persons of Shuffle Master, Inc.**

1. **Chief Executive Officer, and**
2. **President.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- **TR-BIZ, LLC d/b/a TECH RESULTS – New Supplier**

Based on a review of staff's investigation and recommendation, Member Sullivan moved that **the Board approve TR-BIZ, LLC d/b/a Tech Results for a supplier's license, effective July 15, 2009 for a period of one year, expiring in July, 2010.**

Member Sullivan further moved that **TR-BIZ, LLC d/b/a Tech Results be authorized and approved to supply the following products and services to licensed riverboat casinos in the State of Illinois, pursuant to the requirements of the IGB as listed in the Adopted Rules.**

1. **Total Promo Software System and its component software.**

Member Sullivan further moved to **designate the following individuals, entities and corporations as Key Persons of TR-BIZ, LLC d/b/a Tech Results:**

1. **President/Chief Financial Officer, and**
2. **Lars Matthew Klander.**

Member Winker seconded the motion. The Board approved the motion unanimously by roll call vote.

- **Aristocrat Technologies – Seamus M. McGill, Chief Operating Officer – Key Person**

Based on a review of staff's investigation and recommendation, Member Gardner moved that **the Board approve Seamus M. McGill as a Key Person for Aristocrat Technologies, Inc. in his position as Chief Operating Officer.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVALS & DENIALS – LEVEL 2’S & 3’S

Based on staff's investigation and recommendation, Member Winkler moved **that the Board approve 26 applications for an Occupational License, Level 2, and 76 applications for an Occupational License, Level 3.**

Further, Member Winkler moved that **the Board direct the Administrator to issue a Notice of Denial to the following individuals who received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation.**

- 1. Alissa Joy Pfaff;**
- 2. Valentino William Peterson;**
- 3. Pyran John Patton;**
- 4. Trinidad Duran, and**
- 5. Jennifer Sally Kapes.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call.

At 1:50 p.m. Member Winkler motioned to adjourn while Member Gardner seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator